

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF CREDIT UNIONS

NEWSLETTER

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FROM THE DIRECTOR

This is the first edition of the Newsletter from the Division of Credit Unions and my first opportunity to communicate with you. The Newsletter will be utilized to communicate with Missouri chartered credit unions. Your comments, suggestions and ideas are sought on how the Division can better communicate and work with the 183 Missouri chartered credit unions.

On January 27, 1999, Governor Mel Carnahan appointed me as Director of the Division of Credit Unions. The Director of the Division is nominated by the Director of Economic Development and appointed by the Governor with the advice and consent of the Missouri Senate. The Missouri Senate gave their consent to the appointment on March 4, 1999, which was my first day as Division Director.

My credit union experience includes over 20 years service as a board or supervisory committee member and four years as Administrator of the Kansas Department of Credit Unions.

My philosophy of management embraces the concepts of total quality management and supports the belief that our processes can always undergo improvement. We will continue to improve the Division's processes. Although in today's environment change is constant, changes will not be made unless improvements are a part of the change. The Newsletter will be utilized as one of the forums to discuss and disseminate improvements in our processes. The newly appointed Credit Union Commission will be consulted when new regulations are developed and implemented.

The members, volunteers and those who staff credit unions exemplify the philosophy of people helping people. As the Division Director I look

forward to meeting and working with you. Please call or write to me at our state office if I can be of assistance.

John P. Smith, Director

PROPOSED LEGISLATION UPDATE

House Bill 825 continues "on schedule" in the House of Representatives. The bill was introduced and first read on February 9, 1999. The second reading was on February 10, 1999, and the bill was referred to the Consumer Protection and Housing Committee on February 16, 1999. Representative Mike Schilling is the Chairman of the Committee and the sponsor of HB 825. On February 23, 1999 a hearing was held with no testimony in opposition and the Division of Credit Unions speaking in favor of the legislation. The Committee met in executive session on February 24, 1999 and voted out *Do Pass* the House Committee Substitute for House Bill 825.

The substitute wording corrected a printing error in the original bill and added what is referred to as an "emergency clause" which makes the legislation effective upon the Governor's signature.

We remain hopeful the legislation will be passed and signed prior to the beginning of the state fiscal year, which begins on July 1. We will be assessing the Division's operating requirements for the next fiscal year to arrive at the amount to be billed credit unions. The legislation does provide that any overage will be applied to the next billing. The legislation allows more of the Division's expenses to be attributed to our "support services fee" and allows for a reduction in the "support services fee".

The new legislation will allow the Division to more closely match needs to the amount

invoiced, provide for any overage to be returned to credit unions in the form of reduced subsequent billings, and provide for the exclusive use of the Division of Credit Unions fund for regulatory purposes.

Related to House Bill 825 is the budget process of the state. This year the Division has a number of issues before the legislature. House Bill 14 contains supplemental appropriations for the present fiscal year. The Division's part of HB 14 provides funding for the Credit Union Commission (See next article on Credit Union Commission). House Bill 7 contains the Division's "Core" budget for the next fiscal year. Along with Division's core budget the request contains additional funding for the Director's position, continued funding of Commission expenses, and a within grade salary adjustment for staff.

The budget process is also on schedule and favorable action is anticipated. Budget bills as well as all other legislation can be followed at the Missouri State's web site <http://www.state.mo.us/>, also please visit the Division of Credit Unions' web site <http://www.ecodev.state.mo.us/cu/>.

CREDIT UNION COMMISSION APPOINTED

Governor Mel Carnahan on February 18, 1999 named seven members to the Missouri Credit Union Commission, which was established by the 1998 General Assembly.

The Missouri Credit Union Commission will approve or disapprove regulations proposed by the Director of the Division of Credit Unions.

The following were appointed:

- Lori Levine, 47, of Hartsburg. Levine has a B.S. degree from Central Missouri State University and a J.D. degree from the University of Missouri-Kansas City. She is an attorney for Carson and Coil, P.C.
- John Hanneke, 58, of St. Charles. Hanneke has a B.S. degree from the Saint Louis University-School of Commerce and Finance. He is the Manager of Information

Systems at McDonnell Douglas/Boeing Company.

- Sharon Ichord, 46, of Plato. Ichord is the President/CEO of Mid-Missouri Credit Union.
- William Humpfer, 53, of Chesterfield. Humpfer has a B.S. degree in Accounting/Management from Calumet College. He is the President/CEO of the St. Louis Community Credit Union.
- Pat Jacobs-Macdonald, 37, of Kansas City. Jacobs-Macdonald is a former Development Coordinator of the Kansas City Friends of Alvin Aily. She is also the Director of Cultural Development for the Black Economic Union of Greater Kansas City.
- Cathy Stroud, 49, of Springfield. Stroud has a Business Management Certificate from the CUNA Management School at the University of Wisconsin. She is the President of Mid America Credit Union.
- Darrell (Pat) Yorkley, 52, of Lee's Summit. Yorkley has a Bachelor's Degree in Business Administration from Park College. He is the President/CEO of Midwest United Credit Union.

The appointments must receive the advice and consent of the Senate which is expected later this month. Please see the Boards and Commissions website at <http://www.gov.state.mo.us/boards> regarding any questions about the appointment process.